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BAT

BRITISH-AMERICAN TOBACCO COMPANY LIMITED

Regd. Office: PO Box 482 Westminster House 7 Millbank London SW1P 3JE

Incorporated in London-No. 74571
Telephone 01-222 1222
Telegraphic Address: Vehicular London SW1
Telex 27384 5

CONFIDENTIAL

GCH/CJH

28th June 1979

Mr. J. M. Hartogh,
Philip Morris Europe,
Brillancourt,
1006 Lausanne,
Switzerland.

E Comm's Intelligence Unit London

Dear Jules,

EIU Report

Further to our telephone conversation, I am writing to bring you up to date on the EIU Report situation and to seek your views, as Chairman of the Task Force which put forward the proposal for the EIU Study at the Amsterdam Executive Committee meeting.

As you will recall, the first reason for commissioning the Study was that we hoped that it would provide useful material for use in relation to the Stockholm Conference and for future use. The secondary idea was that the Study might subsequently be published by the EIU, thus providing third party evidence on the industry's contribution in developing countries.

In some degree, I think we can say that the first reason has been met. We used a number of points from the Study in the background briefing paper which I wrote for you pre-Stockholm and there are, no doubt, other points in the main Report which could be helpful to us in the future.

As regards the secondary idea, our first impression here in BAT was that "the first draft report" would almost certainly not be accepted by ICOSI for publication. We met EIU and made some comments to them based on our preliminary reactions. As a result EIU are letting me have some time next week a revised version of the Report Is "Summary and

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In the meanwhile, experts in our Leaf Department have made a thorough examination of the Introduction and the Overview Sections. They have found numerous misunderstandings and factual errors and they feel strongly that the applicable Territorial Section should be sent by us to our associated company in the territory concerned for similar examination and comment. Obviously, in that case, your company and other ICOSI members with associates in the territories would presumably want to take similar action, and we have just heard from Mary Covington that she is thinking on these lines.

I spoke yesterday at length on the telephone to Mr. Carter, who is the senior EIU manager with whom we dealt when commissioning the Study. I explained the situation to him and asked him what he regarded as the financial position if EIU were to be asked to undertake fairly extensive revision of theStudy, based on our collective comments, assuming that they could accept at least a good proportion of them as being consistent with their independent position.

Mr. Carter said that he found it difficult to give an estimate because some of this work he felt EIU should designate as being tidying up of "the final draft report" and therefore covered by the commissioning fee. On the other hand some of the work could fairly be described as further revision for publication purposes, which would not be so covered.

The problem is of course that only when we have reached the stage of completing all the revisions, which EIU are prepared to accept, will we have a final text which we can submit to the ICOSI Executive Committee for a finite decision on publication. Mr. Carter estimates that, assuming that EIU is called upon to do 4 or 5 weeks work and discussions in order to reach this stage, the additional fee payable to them would be of the order of £4,000 but it might be a bit more - i.e., about £600 per ICOSI member company.

We here in BAT are of the opinion that this expenditure should be incurred by ICOSI. Having incurred it, at best we may have a text suitable for publication. At worst, we still have a document on our files which, for such use as it is put to in future, is as correct as we have been able to make it. Furthermore, if a copy should ever fall into the wrong hands, we would obviously feel less disturbed, if it was the final stage version and not the original draft.

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If our opinion is accepted, I hope that we can get the final stage completed by the middle of September or thereabouts. However, I rather doubt if we will be able to get the final stage text to ICOSI member companies in time for them to examine it thoroughly enough to be able to make a decision about publication at the EC meeting in Arizona early in September, so a decision may have to come a bit later than that.

I have sent a copy of this letter to Julian Doyle and Theo van Gorkom and no doubt you will wish to consult them. The only copies of the original draft so far distributed in ICOSI have been to your company, Julian, and of course BAT. My feeling is that we should probably send the original draft (plus the first revision of the Summary and Conclusions when it arrives next week) to the other 5 member companies, with a covering letter setting out whatever you, Theo and Julian decide the next steps should be.

Finally, I would add, in deference to Theo, that I have not forgotten the reservations he expressed at the Amsterdam EC meeting about ICOSI getting involved in a study of this kind. I would, however, suggest that it became painfully clear at the Stockholm Conference that the anti-smoking forces have decided to give first priority to attacking international company operations in the Third World on a number of issues not necessarily directly connected with smoking and health. Hence in my view it behoves ICOSI to prepare itself to meet these issues and in this connection our Legal Department tells me that the ICOSI Charter does not confine its actions exclusively to smoking and health. I hope therefore that the need for the progressing of this EIU Study and the possible need for embarking on other Third World studies will be accepted by ICOSI.

With kindest regards,
Yours sincerely,

Gwyn

G. C. Hargrove

cc
Mr. J. J. Doyle
Mr. T. M. van Gorkom
Mr. R. L. O. Ely
Miss M. Covington

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